

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 02845 080653Z

11

ACTION NEA-12

INFO OCT-01 ADP-00 EB-11 COME-00 CIAE-00 INR-10 NSAE-00

RSC-01 OMB-01 TRSE-00 SCEM-02 INT-08 AID-20 XMB-07

RSR-01 PRS-01 USIA-15 /090 W
----- 032210

R 080551Z AUG 73

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 7336

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

USINT CAIRO

AMEMBASSY JIDDA

AMEMBASSY DOHA POUCH

LIMITED OFFICIAL USE KUWAIT 2845

E.O. 11652: N/A

TAGS: BEXP

SUBJ: SUMED PIPELINE

REF: (A) CAIRO 2092; (B) STATE 136503; (C) KUWAIT 2528 (NOTAL)

1. THREE KUWAITI NEWSPAPERS CARRIED THREE DIFFERENT ARTICLES
AUG 4 RE FINANCING PIPELINE.

2. ENGLISH LANGUAGE "TIMES" SAID KUWAIT GRANTED EGYPT \$20
MILLION LOAN PLUS \$8 MILLION WORTH OF METAL PIPE AS KUWAITI
CONTRIBUTION TO SUMED DURING EGYPTIAN MINOIL VISIT LAST WEEK.
ARTICLE ALSO SAID SAUDI ARABIA WILL CONTRIBUTE \$8 MILLION,
AND QATAR AND UAE EACH WILL CONTRIBUTE \$2 MILLION.

3. ARABIC "AS-SIYASSA" QUOTED SOURCES IN BEIRUT AS SAYING THAT
EGYPTIAN MINOIL VISIT TO GULF RESULTED IN ARAB AGREEMENT TO
FINANCE A MAJOR PORTION OF SUMED AS FOLLOWS:

(1) KUWAIT WILL GRANT \$8 MILLION AND OFFER A FURTHER \$10 MILLION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 02845 080653Z

LOAN TO EGYPT. THE \$8 MILLION PROBABLY TO BE IN STEEL PIPE.

(2) SAUDI ARABIA WILL CONTRIBUTE \$8 MILLION.

(3) QATAR AND UAE EACH WILL CONTRIBUTE \$2 MILLION.

4. "AS-SIYASSA" ALSO CITED GERMAN ECONOMIC DAILY "HAND LISBLAT" (PHONETIC FROM ARABIC) AS SAYING BECHTEL EXPECTED SOON MAKE COMPETING OFFER RE FINANCING SUMED. ARTICLE ALSO SAYS THIS NEW (ARAB) INITIATIVE MAY TORPEDO US-EUROPEAN CONSORTIUM FINANCING EFFORT.

5. ARABIC "AR-RAI AL-'AM" CITED BEIRUT DAILY "AL-ANWAR" AS SAYING TOTAL COST OF PROJECT ESTIMATED APPROX \$400 MILLION TO BE FINANCED AS FOLLOWS:

(1) KUWAIT GRANT \$80 MILLION PLUS OFFER \$100 MILLION LOAN TO EGYPT.

(2) SAUDI ARABIA GRANT \$80 MILLION.

(3) QATAR AND UAE EACH GRANT \$20 MILLION.

(4) THE REMAINDER (\$100 MILLION) WILL BE COVERED BY EGYPT'S AGREEING TO MEET LOCAL CURRENCY OBLIGATIONS.

6. STILL QUOTING "AL-ANWAR", PAPER SAYS PROFITS OF THE PROJECT EXPECTED TO BE 10 PERCENT OF INVESTED CAPITAL.

7. EMBASSY STILL ATTEMPTING RESOLVE CONFLICTING STORIES. KOC OFFICIAL IN CONVERSATION WITH EMBOFF ON OTHER SUBJECT SAID HE HAS HEARD IT TRUE THAT KUWAIT HAS AGREED PARTICIPATE, BUT DOES NOT HAVE DETAILS. HE SAID \$400 MILLION TOTAL COST FIGURE SOUNDS ABOUT RIGHT, BUT HE WOULD BE EXTREMELY SURPRISED IF GOK OR KFAED AGREED TO FUND \$100-\$180 MILLION.
MCCLELLAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KUWAIT02845
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730851/aaaablh.tel
Line Count: 96
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 (A) CAIRO 2092; (B) STATE 136503;
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 10 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10-Dec-2001 by martinml>; APPROVED <14-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUMED PIPELINE
TAGS: BEXP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005